

Office Memorandum • UNITED STATES GOVERNMENT

TO : C/IB/BCD/Pers.

DATE: 29 November 1956
M.H.-6

FROM : C/BCD/Pers.

SUBJECT: Extract from MINUTES of Board of Directors Meeting held 20 Nov. 1956

"Item 1 of the Agenda regarding Contract Employee coverage under GEHA was discussed. Mr. [] stated that he had 2 pending cases that he wished the Board would consider. Mr. [] quoted to the Board Article II, Sections 1 and 2 of the By-laws. It was the opinion of the Board that when these by-laws were written, a Contract Employee had a different definition than what it has now. Therefore, this whole matter has been changed. The Board should state a policy to discourage this type of coverage.

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"Mr. [] discussed this matter from a standpoint of Staff Employees and Staff Agents. He stated that the insurance program was designed for the benefit of the above mentioned categories. By covering Contract Employees, we are buying a known risk. Mr. Hulick questioned the fact that there might be an exception, i.e., a Staff Employee is changed to a Contract Employee for the convenience of the Government. If the Staff Employee had been covered by the insurance program before converting to a Contract Employee status, wouldn't we allow an exception and continue his coverage.

"Mr. [] stated to the Board that there must be a firm policy for the Officers to follow. Mr. [] made the following motion:

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"That it be the policy of this Board that the insurance program under GEHA be limited solely for the benefit of Staff Employees and Staff Agents of this Agency, except under extraordinary circumstances which cases must receive specific Board approval. This motion was seconded and approved by the Board.

"A small committee, comprised of Messrs. [] and Hulick, will investigate the Contract Employee applications submitted by the Officers and then report to the Board its findings. All future extraordinary cases which the Officers feel would be acceptable to the Board or where they persist, should be submitted to the Committee before presenting it to the Board.

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"Mr. [] moved that the Board advise the contract people and personnel not to write a mandatory insurance privilege into the future contracts. This motion was seconded and approved."

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